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**MEMORANDUM OF SECURITY AGREEMENT**

**dated as of August 17, 2006**

**between**

**FLORAIL, INC., A FLORIDA  
CORPORATION,  
as Borrower**

**and**

**SUNTRUST LEASING CORPORATION,  
as Lender**

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**FILED WITH THE SURFACE TRANSPORTATION BOARD  
PURSUANT TO 49 U.S.C. § 11301  
on August \_\_, 2006 at \_\_: \_\_ .m.**

## MEMORANDUM OF SECURITY AGREEMENT

THIS MEMORANDUM OF SECURITY AGREEMENT is made and entered into as of August 17, 2006, by and between SUNTRUST LEASING CORPORATION ("**Lender**") and FLORAIL, INC., A FLORIDA CORPORATION ("**Borrower**"), with reference to the following:


1. The Lender has made a loan (the "**Loan**") to the Borrower pursuant to a Loan and Rail Security Agreement, dated as of August 17, 2006 (the "**Security Agreement**").
2. Pursuant to the Security Agreement, Borrower grants to Lender a security interest in all of Borrower's right, title and interest in and to (among other things), (a) the railcars, including any property, records or rights relating thereto (the "**Railcars**") as more fully described in attached Exhibit A, and any part thereof, (b) all present and future interchange or utilization agreements, leases, subleases, repair agreements and any other similar agreements or arrangements of any kind whatsoever relating to any Railcar or any related part, (c) any and all substitutions, replacements or exchanges for any of the collateral, in each such case in which Borrower shall from time to time acquire an interest, and (d) all proceeds of any of the foregoing, including, without limitation, any and all rents, insurance, settlement, indemnity, warranty, governmental or other payments, and other amounts of any kind whatsoever due or payable under or in connection with any Railcar.
3. RIO GRANDE CHEMICAL, LTD., INC. has sold the Units to Borrower in the ordinary course of business.

This Memorandum of Security Agreement may be executed in any number of counterparts, each executed counterpart constituting an original but all together only one Memorandum of Security Agreement.

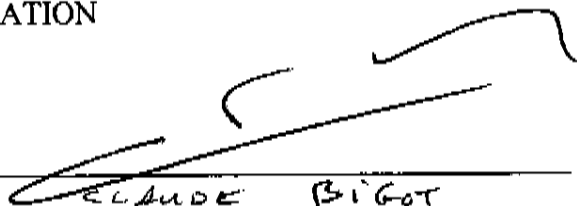
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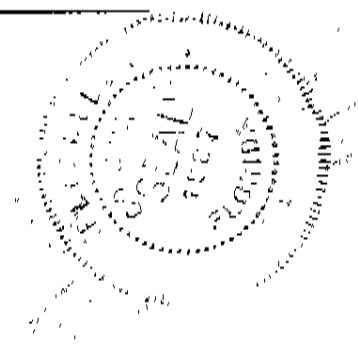
IN WITNESS WHEREOF, the parties hereto have executed or caused this Memorandum of Security Agreement to be executed as of the date first above written.

SUNTRUST LEASING CORPORATION

By:   
Name: MIKE POWERS  
Title: SECRETARY

FLORAIL, INC., A  
FLORIDA  
CORPORATION

By:   
Name: CLAUDE BIGOT  
Title: President



STATE OF FLORIDA )  
 ) ss.  
COUNTY OF VOLUSIA )

On this 15 day of August, 2006, before me appeared CLAUDE BIGOT, the person who signed this instrument, who acknowledged that ~~he~~ is the PRESIDENT of FLORAIL, INC., LP, and that, being duly authorized, (s)he signed such instrument as a free act on behalf of said partnership.

[Seal]

J. Daniel Peterson  
Notary Public

My commission expires:

9-27, 2008



STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this 17<sup>TH</sup> day of August, 2006, before me appeared MIKE POWERS the person who signed this instrument, who acknowledged that ~~(s)he~~ is the SECRETARY of SUNTRUST LEASING CORPORATION and that, being duly authorized, ~~(s)he~~ signed such instrument as a free act on behalf of said corporation.

[Seal]

Erica Denham  
Notary Public

My commission expires:

August 12, 2009

**EXHIBIT A**  
**TO MEMORANDUM OF SECURITY AGREEMENT**

**DESCRIPTION OF CARS AND REPORTING MARKS:**

Ten (10) 2006 Freight Car America (AAR car type K341) 4200 cubic foot capacity aluminum rotary Autoflood III open top hopper cars marked RG CX21090-21099 inclusive.